Talking Points
Public Hearing
Special Commission on the Health Care Payment System
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Thank you to the commission members and staff for this opportunity to share our experience with Harvard Pilgrim's Pay for Performance Program; how it's designed, what it rewards and lessons we've learned.

First, some background about the financial models in our network.

10% PCP's in Risk
60% PCP's in P4P. 3-10% income at risk.

24% members with PCP's in Risk
63% members with PCP's with P4P

45% of hospitals now have P4P component
Expect most of the rest for 2010

What does our P4P program consist of: Physician Groups

It has been built up over time to include the following elements:

Infrastructure
Process Quality Measures
Outcome Quality Measures
HIT adoption and use
Cost Efficiency

Infrastructure

Medical Director Stipend: Rules and Responsibilities contractually obligated
Medical Group Stipend: supports data reports and exchanges, registries, communication, individual physician measurement and feedback. Business Plans and Quarterly Milestones reports required.

HIT

Follows IOM Core Functions

Evolved from having something to using it in specific domains on clinical care
Includes participation in MAehealth Collaborative, NCQA Physician Practice Connector.
Semi-annual survey.

Quality

HEDIS measures
Change over time to reflect those needing improvement
Control measures as available. Current ones include Diabetes HbA1C Control (>9, lower is better), LDL < 100.
Move to control measures a good example of collaboration with the provider community. We piloted the program to ensure it was not overly burdensome, to test data collection tools and to be sure we could access necessary lab values.
Process measures on Asthma, Depression and Appropriate Antibiotic Use

Cost Efficiency

Generic prescribing
Lab Steerage
Weighted admits/1000

What does our P4P program consist of: Hospitals

3 HQA categories: Target: 90^{th} percentile or 90% score

Heart Failure (4 measures)
Pneumonia (4 measures)
Surgical Care Infection Prevention (2 measures)

So, does P4P do anything. Well…. We pull many levers to improve performance, P4P is only one. But we do see improvement almost across the board.

HIT: % with Maximum points on the survey: Q207=51% Q208=71%

Generic: 2006=58% 2008=69%

Weighted admits=3% reduction 07-08.

HEDIS: Nationally leading performance

Keys for Success.

Long term strategy
Engaged physician leadership
HIT as key enabler
Data, technical and project support
National benchmarks
Nationally accepted measures
Or at least straightforward ones
Regular feedback on performance.

But there are limits.

Efficiency is tough as there are no real benchmarks. Also hard to impact total spend.
Few Specialist quality measures and existing ones have denominator issues.
Not enough to overcome underlying majority payment dynamic: throughput revenue stream based on FFS payment for activity.
Not easily adaptable to PPO or SI accounts which make up over ½ of our membership